

May 17, 1967

Hon. Gaylord Nelson
United States Senate
Washington 25, D.C.

Dear Gaylord-

As I am sure you know without my repeating it, I have been a longterm admirer of yours since before your election as Governor of Wisconsin. On that premise, I may be too presumptuous in writing this comment, but I hope you will not misunderstand my motives.

What perturbs me is the muckraking flavor of your current investigation of drug prices. There are, of course, plenty of abuses in the short run picture, and I have no criticism of their re-exposure. But a rerun of the Kefauver hearings seems such a stale thing to do. If I have a serious criticism, it is not what your committee seems to be doing; I am disappointed in what it is apparently not doing: an honest investigation to discover new facts and constructive policies (as opposed to an expose of old ones) that can reconcile the conflicting motives and interests involved in the drug industry. To rake it over the coals for its prices provides maximum pressure on just one protuberance of a very complex problem, and I am afraid will have the most paradoxical effects in the long run.

I would urge you then to take on a much broader approach to the whole problem. There are important elements of the drug industry no less disturbed than you and I are about the hucksterism that makes up a growing part of its total activities, and together with academic and government interests could work with you on a much more constructive cooperation. The point that concerns me the most is how to provide the incentive for much more research investment in new drug development, and disincentives for the misleading and odious promotional practices that dominate the industry's budgets. We have to attend to pricing too, but I must say I have to put that at an even lower priority than these considerations. The most expensive drugs there ever can be are the ones that are not developed; and I am equally concerned about the non- and mis-education of the medical profession about new drug development. To half-socialize the industry seems to me a self-destructive blunder, and we have to come to some clarity whether we are going to motivate research investment by some (reasonably regulated) profit incentive or by direct subsidy. It is indubitable that the profit incentive nourishes a lot more than research, but if we could meet that problem head on, we might get a lot more efficient and competitive a system than a subsidy-bureaucracy could manage. If 'exorbitant profits from high drug prices' really were fed back into research, would that be such an odious system?

These remarks are personal, but I am enclosing some more public ones for whatever use you wish to make of them.

Best personal regards,

Joshua Lederberg

NELSON